



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



**AUDITOR GENERAL'S
PERFORMANCE AUDIT REPORT ON
PROVISION OF BURSARIES AND SCHOLARSHIPS
BY THE COUNTY GOVERNMENT OF KILIFI**

MARCH 2026

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FOREWARD

I am pleased to present this performance audit report on the Provision of Bursaries and Scholarships to Needy Learners by the County Government of Kilifi. My Office carried out the audit under the mandate conferred to me by Article 229 (6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, 2015 requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

Performance, financial and compliance audits form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of the audit work done by my Office. The framework is intended to provide a high level of assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for, but that the use of the resources results in positive impacts on the lives of all Kenyans. The main goal of our performance audits is to ensure effective use of public resources and promote service delivery to Kenyans.

The Report is submitted to the Kilifi County Assembly in accordance with Article 229 (7) of the Constitution of Kenya, 2010 and Section 39 (1) of the Public Audit Act, 2015. I have also submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury, Principal Secretary, State Department for Devolution, Clerk of the Senate, Governor, County Government of Kilifi and the Chairperson, Council of Governors.


FCPA Nahey Gathungu, CBS
AUDITOR-GENERAL

04 March, 2026

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LIST OF ABBREVIATIONS

Abbreviation	In Full
CECM	County Executive Committee Member
CTS	Cheque Truncation System
EFT	Electronic Funds Transfer
IFMIS	Integrated Financial Management Information System
ISSAI	International Standards of Supreme Audit Institutions
KEMIS	Kenya Education Management Information System
MCA	Member of County Assembly
MOE	Ministry of Education
NG-CDF	National Government Constituencies Development Fund
NGAAF	National Government Affirmative Action Fund
OAG	Office of the Auditor-General
PWD	Persons with Disabilities
PSSB	Presidential Secondary School Bursary

GLOSSARY OF TERMS

Term	Meaning
Administrative Expenses	Costs incurred in managing and administering the bursary and scholarship programme, excluding funds disbursed directly to beneficiaries.
Bursary	A non-repayable financial award provided to needy learners to assist in meeting part of the cost of education, usually awarded on a periodic basis and not guaranteed for the full duration of study.
Cheque Truncation System (CTS)	A banking system that enables electronic processing of cheques through the use of scanned images, eliminating the need for physical movement of cheques.
Double or Multiple Allocation	The awarding of bursaries or scholarships more than once to the same beneficiary, either within the same ward, across different wards, or from multiple public providers.
Electronic Funds Transfer (EFT)	A cashless method of transferring funds electronically from one bank account to another, recommended as an efficient alternative to cheque payments.
Grievance Redress Mechanism	A structured system for receiving, recording, investigating, and resolving complaints and appeals from bursary and scholarship applicants and beneficiaries.
Kilifi County Ward Scholarship Fund Board (the Board)	The body established under the Kilifi County Ward Scholarship Fund Act, 2018, responsible for the overall management, disbursement, monitoring, and accountability of the Fund.
Learning Institutions	Educational institutions to which bursary or scholarship funds are disbursed on behalf of beneficiaries, including secondary schools, universities, colleges, and vocational training centres.

Monitoring and Evaluation	The systematic tracking and assessment of programme implementation to determine effectiveness, efficiency, and achievement of intended objectives.
Overpayment	A situation where funds credited to a beneficiary exceed the actual school fee balance, often resulting from multiple allocations.
Persons with Disabilities (PWDs)	Individuals with physical, sensory, intellectual or mental impairments who may face barriers to accessing education and are prioritized under Target 4.5. of the Sustainable Development Goals
Public Bursary Providers	Government entities that provide bursaries or scholarships, including county governments, the Ministry of Education, NG-CDF, NGAAF, and other public funds.
Scholarship	A non-repayable financial award, often covering full school fees, usually awarded for the duration of study, based on academic merit and/or financial need.
Timely Disbursement	Release of bursary or scholarship funds to learning institutions on or before school opening dates to ensure uninterrupted learning.
Ward Scholarship Committee	A ward-level committee established under the Kilifi County Ward Scholarship Fund Act, 2018, responsible for receiving, vetting, and recommending bursary and scholarship applications.

EXECUTIVE SUMMARY

Background of the Audit

1. Bursaries and scholarships are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to students based on financial need, academic merit, talent, or other notable achievements.
2. Both bursaries and scholarships are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study, while bursaries are awarded on a less consistent basis and are not guaranteed.
3. The mandate for the provision of bursaries and scholarships in Kilifi County is vested in the Ward Scholarship Fund Board. Other role players include the National Governments Administrative Officers, Other Bursary Providers (Ministry of Education (MoE), National Government Affirmative Action Fund (NGAAF), the National Government Constituency Development Fund (NG-CDF), Presidential Secondary School Bursary (PSSB) and The National Treasury and Economic Planning.
4. The Auditor-General authorized the audit after considering the following factors:-
 - i) According to the Hansard report dated 30 April, 2024, the Senate discussed the oversight of county governments in the management of bursary funds, highlighting instances of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation to gauge the impact of bursary programs in improving educational access and retention for learners.

- ii) In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated, to address gaps in the current education funding model. This consolidation aimed to create a more efficient system for providing bursaries and scholarships, ensuring resources are more equitably distributed and increasing access to funds for more needy learners¹.
 - iii) Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in counties. The results of the Pre-study indicated that the provision of bursaries and scholarships by county governments faces various set-backs that hinder the full achievement of the intended objectives. These include; inadequacies in verification of applicants, late disbursement of bursary and scholarship funds, lack of coordination amongst the various bursary and scholarship providers, and a lack of regular monitoring and evaluation, which prevents counties from effectively measuring such Programmes' impact and informing necessary adjustments.
 - iv) The provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.
5. Given the above factors, the audit sought to assess the progress made by the County Government of Kilifi in eliminating barriers to access to education by needy learners and the efficiency and effectiveness with which the County had utilized and disbursed bursary and scholarship funds to beneficiaries.

¹ The National Assembly Hansard report dated Wednesday 25 September, 2024, Page 21

Objective of the Audit

6. The main audit objective was to assess the extent to which the County Government of Kilifi had ensured access to bursaries and scholarships by needy learners. The specific objectives were to assess whether the County Government of Kilifi ensured:
 - i. Adequate allocation of bursaries and scholarship funds; and
 - ii. Timely disbursement of bursaries and scholarships to needy learners.

Scope of the Audit

7. The audit focused on the activities of the County Government of Kilifi in ensuring access to bursaries and scholarships for needy learners within the Kilifi County. These are identification of needy learners, allocation of bursaries and scholarships, and disbursements of funds. The audit covered the financial years 2021/2022 to 2024/2025, which was deemed sufficient to establish trends and provide a comprehensive assessment. The audit was conducted between September 2024 and December 2025.

Summary of Major Audit Findings

i) Inadequate Verification and Vetting of Needy Learners

8. The Kilifi County Ward Scholarship Fund Act, 2018 establishes a framework designed to assist bright students from underprivileged backgrounds access education and vocational training. However, the audit revealed that awarding of scholarships was limited to students who qualified for national secondary schools, regardless of their financial capability. Instead of the scholarship beneficiaries filling out the prescribed application forms to aid vetting, they filled out a secondary school scholarship agreement form, as a promise to adhere to the requirements of the scholarship.
9. Review of two hundred and twenty seven (227) sampled bursary application forms revealed that only fifty-five (55), representing 24%, had the required attachments. One hundred and seventy-two (172), representing 76%, of the beneficiaries lacked the required documents to verify applicants' financial need, active enrolment in

school, and academic performance. In addition, only fifty-four (54), representing 24%, were duly filled, while one hundred and seventy-three (173) forms, representing 76%, lacked critical information used to assess applicants' eligibility and financial need. These forms lacked the required approvals and endorsements from the Ward Scholarship Committee officials.

10. Inadequate verification was attributed to: failure by the Ward Scholarship Fund Board and the Ward Committees to adhere to the laid-down regulations on scholarship and bursary applicant eligibility; and failure by the Board to oversee the Ward Committees' bursary verification and vetting procedures.
11. Consequently, needy and deserving students could have missed out on the bursaries and scholarships, and thereby defeating the objectives of the County Fund. Furthermore, awarding scholarships exclusively to students in national schools creates a compounding advantage for an already privileged group, while deepening educational inequity.

ii) Inadequate Allocation and Award of Bursaries

12. Among the key documents the applicants are required to submit is the school fee statement, which provides evidence of the applicant's current fee balance and therefore, assists in determining the extent of financial need. The Ministry of Education has set a standard fee of Kshs.53,554 for National Schools and Kshs.40,535 for Extra-County and County Schools, respectively.
13. Analysis of the list of beneficiaries and sampled fee statements for the Financial Year 2024/2025 revealed disparities between awarded bursary amounts and students' actual fee balances, indicating that outstanding fee balances were not used as a criterion to identify and award the needy students. Beneficiaries who had arrears of more than Kshs.50,000 received amounts between Kshs.5,000 and Kshs.7,000, which is deemed too low to make a meaningful impact on their school fees needs.

14. The inadequate allocation and award of bursaries was attributed to inadequate needs assessment by Ward Scholarship Committees. Further, the Kilifi Ward Scholarship Fund Act, 2018 did not specify the minimum and maximum bursary allocation or a percentage in relation to the school fees balance. Consequently, the funds were allocated thinly across a large number of applicants, thereby reducing the impact of the bursaries to the needy and vulnerable, and undermining the objective of the County Bursary Fund.

iii) Multiple Allocation of Bursaries and Scholarships to Single Beneficiaries

15. Good practice requires that bursaries and scholarships must be allocated equitably, reaching a wider range of deserving individuals, and explicitly preventing multiple awards to the same applicant, to maximize bursary impact and ensure fairness.
16. Review of the list of beneficiaries for the Financial Years 2021/2022 to 2024/2025 revealed that 26,735 beneficiaries had multiple allocations from different Wards or the same Ward within the County. In addition, review of fee statements in three (3) sampled schools for the academic years 2024 and 2025 revealed that one hundred and thirty-three (133) bursary and scholarship beneficiaries had multiple allocations from various bursary providers.
17. Multiple allocations of bursaries and scholarships were attributed to lack of a formal framework to guide coordination among the various bursary providers. Management of the Fund had also not established an information system to integrate beneficiary data across the various Wards. Furthermore, spreading of funds too thinly resulted in significantly low awards, prompting learners to apply to multiple providers in the hope of securing enough funds to cover their fees. The audit also linked double allocations to single beneficiaries within the Wards to a lack of independence in the vetting process, where informal social networks exerted undue influence over the selection. As a result, the distribution of funds to needy learners was inequitable.

iv) Inefficient Bursary Data Management System

18. Section 149 (2) of the Public Finance Management Act, 2012 requires that all financial and accounting records that the entity keeps in any form, including in electronic form, are adequately protected, and backed up. Good practice also requires that county governments develop and operate a records management system that provides for safe custody and ensures efficient retrieval of information.
19. Review of records and interviews with the Board and the five (5) sampled Ward Scholarship Committee members revealed that bursary information was stored in manual physical files, while lists of beneficiaries were stored in soft copy. Interviews with the Board and Ward Scholarship Committees attributed inefficient bursary data management to lack of budgetary allocation to implement an automated system with the necessary infrastructure and expand the capacity of the physical storage space.
20. Inefficient data management compromised data accuracy, transparency and accountability, as well as timeliness in the bursary awards, resulting in exclusion of deserving applicants and double dipping. It also made information retrieval challenging and created a risk of permanent information loss.

v) Lack of Data on Access to Bursaries and Scholarships by Persons Living with Disabilities

21. Target 4.5 of the Sustainable Development Goal 4 requires the Government to ensure equal access to all levels of education and vocational training for persons living with disabilities by 2030. The audit revealed that all the committees had a person with disability representative as a member, and prioritized persons with disabilities when awarding bursaries and scholarships.
22. However, the Board and Ward Committees lacked statistics on beneficiaries living with disability. There was therefore, no evidence that persons with disabilities had benefited from the bursaries and scholarships programme in Kilifi County.

vi) High Administrative Expenses

23. Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 stipulates that administration costs of a Fund shall be a maximum of 3% of the approved budgets of the Fund. Review of audited financial statements for the Kilifi County Ward Scholarship Fund for four (4) financial years, from 2021/2022 to 2024/2025 revealed that, administrative expenses exceeded the statutory 3% of the total allocation for bursary and scholarship for three (3) financial years. The total excess expenditure for the four (4) years was Kshs.4,515,210.
24. Additionally, out of the total expenses for the Financial Years 2022/2023 to 2024/2025, a total of Kshs.1,849,654 was irregularly spent on activities not directly related to the administration of the bursary and scholarship, such as subscriptions and seminar fees to professional bodies. This together with the excessive administrative expenses of Kshs.4,515,210 gave rise to Kshs.6,364,864 on anomalies related to administrative expenses in the period under review.
25. The amount could have paid annual school fees for one hundred and nineteen (119) students in national schools or one hundred and fifty seven (157) students in county schools. At an assumed amount of Kshs.20,000, which is deemed to be significant support, the amount of Kshs.6,364,864 would have catered for an additional three hundred and eighteen (318) beneficiaries.
26. The excess administrative cost was attributed to inadequate oversight by the Fund Board and use of an inefficient mode of fund disbursement. Consequently, the resources available for bursaries and scholarships was reduced, depriving potential beneficiaries the needed financial support.

vii)Lack of a Structured Grievance Redress Mechanism

27. Section 28 of the Kilifi County Ward Scholarship Fund Act, 2018 states that; any applicant aggrieved by the decision of the Ward Scholarship Committee may appeal to the Board within thirty (30) days of the committee's decision. In addition,

the Public Sector Complaints Handling Guide, 2016 states that a complaint handling mechanism should be established in every public institution to ensure that complaints are given the necessary attention, to improve the delivery of services.

28. However, the process of handling complaints was informal and undocumented at the ward level, and it was not possible to assess the extent to which grievances were resolved. Lack of a structured grievance redress mechanism was attributed to the absence of a formal policy or operational guideline by the Board defining the procedures for handling and documenting complaints. As a result, transparency and accountability were undermined in the administration of bursary and scholarship funds, as there was no verifiable record of how complaints were handled and resolved.

viii) Delays in Disbursement of Bursaries and Scholarships to Learning Institutions

29. Section 14(a) of the Kilifi County Ward Scholarship Fund Act, 2018 requires the Board to ensure timely and efficient disbursement of funds to the qualifying beneficiaries' institutions. Good practice requires that bursary and scholarship funds are disbursed on time to ensure smooth, uninterrupted learning of students under the bursary and scholarship programme.
30. Analysis of fee statements of fifty (50) beneficiary students from Bahari Girls Secondary School revealed that disbursement of scholarship funds for second term in the 2025 academic year was done approximately 2 to 3 months after the beginning of the term.
31. The delays in disbursement of funds to learning institutions was attributed to late exchequer disbursements. Consequently, the beneficiaries academic progress was threatened by lost and interrupted learning times.

ix) Inefficient Mode of Bursary Disbursement

32. Best practice requires that bursary payments be remitted directly to the respective education institutions through efficient means. The audit noted that bursary funds were disbursed through cheques, while scholarships were disbursed through Electronic Funds Transfer (EFT) to the learning institutions.
33. Analysis of bursary disbursement records, bank reconciliations, and account statements for the 2021/2022 to 2024/2025 financial years revealed unpaid cheques totalling Kshs.85,377,372, which attracted bank commissions of Kshs.1,704,000. The analysis also revealed return-to-drawer cheques of Kshs.14,200,855, cancelled cheques of Kshs.18,336,334, and stale cheques of Kshs.22,308,368.
34. The total amount of Kshs.141,926,929 arising from anomalies in cheque disbursements could have paid annual school fees for 2,650 learners in National Schools or 3,501 in County Schools. At an assumed amount of Kshs.20,000 which is deemed to be significant support, the amount could also have supported an additional 7,096 learners.
35. The inefficiencies in funds disbursement were attributed to weaknesses in cheque preparation, handling, and quality assurance procedures. Further, cheques were deposited with insufficient funds in the bursary or scholarship accounts, resulting in missed payments and resultant bank charges.

x) Inadequate Acknowledgement of Bursary and Scholarship Payments

36. Section 14 (b) of the Kilifi County Ward Scholarship Fund Act, 2018 states that the Board shall ensure efficient management of the Bursary and Scholarship Fund. To observe this, best practice requires the Board to receive confirmation of the school fee amounts paid to beneficiary institutions to ensure proper accountability for the funds.
37. Analysis of acknowledgement letters and school fee receipts from learning institutions during the financial year 2024/2025 established that only

Kshs.57,325,349, representing 18%, of the total funds disbursed were acknowledged. Inadequate acknowledgement was attributed to inadequate monitoring and a failure by the Fund Management to follow up with learning institutions. Consequently, intended learners may fail to benefit from the funds, even after the institution has received payment, as their individual fee accounts may not be credited on a timely manner.

xi) Inadequate Monitoring of the Bursary and Scholarship Fund

38. The Kilifi County Ward Scholarship Fund Act, 2018, requires the Ward Scholarship Fund Committee to monitor the academic performance of scholarship recipients and the County Department of Education to monitor the performance of all the sponsored recipients. Interviews with the Kilifi County Scholarship Fund Board indicated that formal monitoring of sponsored recipients was not conducted. The audit revealed that the Board and the sampled five (5) Ward Bursary Fund Committees conducted informal follow-up of bursary and scholarship beneficiaries without proper documentation of feedback reports.
39. The inadequate monitoring was attributed to the lack of a standardized framework for monitoring, follow-up and reporting on the implementation of the Programme. Consequently, the Board's capacity to properly assess the Fund's objectives, effectiveness, and overall impact was compromised. This limited the ability to identify and address operational gaps or weaknesses in a timely manner within the administration of bursaries and scholarships.

xii) Doubt in Continued Provision of Bursaries and Scholarships to Learners in National Government Institutions

40. The Fourth Schedule of the Constitution of Kenya on distribution of functions between the National Government and the county governments gives the counties the powers and functions for pre-primary education, village polytechnics, homecraft centres and childcare facilities. Further, Section 26 of the Intergovernmental Relations Act, 2012 requires that transfers or delegation of

powers, functions, or competencies between National and County Governments to be by a written agreement.

41. The audit revealed that the County Government of Kilifi was disbursing bursaries and scholarships to secondary schools, universities and colleges, which was outside their mandate. Analysis of lists of beneficiaries revealed that the highest allocation was to secondary schools, at 87.6%, 82.4%, 86% and 73.7% in 2021/2022, 2022/2023, 2023/2024 and 2024/2025 financial years, respectively. Learners in vocational institutions were only awarded 0.1%, 3.4%, 2.8% and 5.0% over the same period, yet these are the responsibilities of the County Government.
42. The continued provision of bursaries and scholarships to learners in institutions under the National Government is threatened by an intergovernmental partnership agreement that lacked the execution date and thus did not meet the prescribed legal and procedural requirements. Consequently, the sustainability of the bursary program is doubtful. In addition, the County has not prioritised the needs of learners in institutions that fall under the devolved functions, such as pre-primary education centres, village polytechnics, homecraft centres, and childcare facilities.

Conclusion

43. The County Government of Kilifi did not distribute bursaries and scholarships equitably. Identification of needy learners and assessment of their financial situation was not done adequately, as applicants were awarded similar amounts regardless of their school fees needs and financial background.
44. Decisions made by the County in administration of bursaries and scholarships are not data driven as the county lacks an efficient bursary data management system. There is compromised data and information sharing amongst the wards, delayed provision of information on applicant's verification and award activities, and exclusion of learners living with disability. The County has also not put in place any system for collaboration with other public bursary service providers.

45. The County does not use the funds allocated for administration of the Programme prudently. Some expenditures were incurred on activities not directly related to administration of bursaries and scholarships. Further, the Grievance Redress Mechanism in use was unstructured and ineffective.
46. The County Government of Kilifi did not ensure timely disbursement of funds to learning institutions. This was evidenced by the fact that Funds were disbursed to learning institutions towards the end of the term.
47. The County Government of Kilifi did not efficiently disburse bursary funds to learning institutions. This was evidenced by additional costs incurred through dishonoured, stale, and unpaid cheque transactions.
48. The County Government of Kilifi did not adequately monitor the Bursary and Scholarship Programme. The absence of standardized monitoring and evaluation tools hindered the development and enforcement of mitigation measures, which were necessary to guarantee efficiency in the disbursement of funds and the follow-up of beneficiaries.
49. The County Government of Kilifi did not ensure adequate acknowledgement of all the disbursed bursaries and scholarships funds, as less than 20% of the disbursed funds were acknowledged.
50. The provision of bursaries and scholarships for learners in institutions under the National Government is threatened by an Intergovernmental Partnership Agreement that lacked the execution date and thus did not meet the required procedural and legal standards. In addition, County resources were misapplied at the expense of learners in institutions that fall under devolved functions, such as pre-primary education, village polytechnics, homecraft centres, and childcare facilities.

Recommendations

51. To ensure adequate allocation of bursaries and scholarships, the Kilifi County Ward Scholarship Fund Board should:

- a) Proactively strengthen its oversight of Ward-level vetting and verification of application forms in order to ensure complete documentation. The Board should also implement regular reporting mechanisms by the Ward Committees. Also, the Board should consider revising its scholarship policy to ensure its more inclusive;
 - b) The Ward Committees should engage the learning institutions during the identification of needy learners;
 - c) The Kilifi County Ward Scholarship Fund Board, in collaboration with the Ward Bursary Committees, should develop a formal Needs Assessment Tool that assigns points based on specific, verifiable criteria such as family status, household income, and special circumstances; and
 - d) The Board should set bursary and scholarship award limits or a percentage of the fee balance to eliminate inconsistencies in decision-making across the Wards, minimize instances of spreading the funds thinly and ensure alignment with the fee structures approved by the State Department for Basic Education.
52. To prevent multiple allocation of bursaries and scholarships to single beneficiaries, the Kilifi County Ward Scholarship Fund Board should:
- a) Develop and implement a comprehensive system capable of integrating all beneficiary data through the use of a common unique identifier to enhance transparency and coordination; and
 - b) Develop and implement a co-ordination framework to enhance information sharing and joint planning with other public bursary and scholarship providers, and promote collaboration between Ward Bursary Committees, through information and data sharing during administration of the bursaries and scholarships funds.
53. To eliminate cases of double allocation within the Wards and across bursary providers, the Ministry of Education, in collaboration with Parliament, should develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.

54. To address inefficiencies in data management, the Kilifi County Ward Scholarship Fund Board should explore adoption of Information and Communication Technology by investing in appropriate systems to automate the bursary and scholarship processes. Additionally, the Board should develop specific guidelines for the allocation of bursary and scholarship funds to learners with special needs to ensure inclusivity.
55. To reduce the high administrative expenses, the County should strengthen oversight and fast track the transitioning to using Electronic Funds Transfer (EFT) for funds disbursement, together with automated email to learning institutions.
56. To ensure existence of a Grievance Redress Mechanism, the Kilifi County Ward Scholarship Fund Board should develop and implement a formal grievance redress policy and accompanying Standard Operating Procedures (SOPs) to guide the receipt, handling, documentation, and resolution of complaints. Additionally, the Board should conduct public awareness outreach so that beneficiaries and applicants are informed of available grievance channels.
57. To ensure timely disbursement of funds to the learning institutions, the Exchequer and Controller of Budget should:
 - a) Expedite the budgetary approval process and explore the possibility of aligning the disbursements to the school calendars; and
 - b) Explore adoption of technology to integrate electronic transfer of beneficiary funds to learning institutions by leveraging existing platforms like the Kenya Education Management Information System (KEMIS), and the Integrated Financial Management Information System (IFMIS).
58. To ensure adequate monitoring and acknowledgement of disbursements, the Kilifi County Ward Scholarship Fund Board should fast track the procurement of an integrated system, featuring a monitoring interface for enhanced oversight. Additionally, the Board must proactively conduct continuous follow-ups with learning institutions to verify funds receipt. Finally, the Board should leverage technology by utilizing email, SharePoint or other digital platforms for efficient

transmission and storage of acknowledgment letters and receipts from learning institutions.

59. To legally undertake the bursary and scholarship program to learners in institutions under the National Government, the Board should design and complete a formal intergovernmental transfer process and secure approval through gazettment by both the National Assembly and the County Assembly.

CHAPTER 1: BACKGROUND OF THE AUDIT

Introduction

- 1.1 Bursaries and scholarships are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to students based on financial need, academic merit, talent, or other notable achievements.
- 1.2 Both bursaries and scholarships are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study, while bursaries are awarded on a less consistent basis and are not guaranteed.
- 1.3 The County Government of Kilifi established a County Ward Bursary and Scholarship Fund to assist students from needy groups, such as orphans, those from poor families, and those with special needs, to pursue education at recognized institutions and promote access to secondary and tertiary education for needy learners.
- 1.4 The mandate for the provision of bursaries and scholarships in Kilifi County is vested in the Ward Scholarship Fund Board. The Board is responsible for: ensuring the timely and efficient disbursement of bursary and scholarship funds; ensuring the efficient management of the funds; receiving and addressing complaints; and administering the funds and assests of the Board.
- 1.5 The activities involved in the provision of bursaries and scholarships fall within the Education Sector, under the County Executive Committee Member of Education.

Motivation for the Audit

- 1.6 The Auditor-General authorized the audit after considering the following factors:-
- i) According to the Hansard report dated 30 April, 2024, the Senate discussed the oversight of county governments in the management of bursary funds, highlighting instances of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation to gauge the impact of bursary programs in improving educational access and retention for learners.
 - ii) In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated to address gaps in the current education funding model. This consolidation aimed to create a more efficient system for providing bursaries and scholarships, ensuring resources are more equitably distributed and increasing access to funds for more needy learners².
 - iii) The County Government of Kilifi cumulatively spent Kshs.1.44 billion from the financial year 2021/2022 to 2024/2025.
 - iv) Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in counties. The results of the Pre-study indicated that the provision of bursaries and scholarships by county governments faces various set-backs that hinder the full achievement of the intended objectives. These include; inadequacies in verification of applicants, late disbursement of bursary and scholarship funds, lack of coordination amongst the various bursary and scholarship providers, and a lack of regular monitoring and evaluation, which prevented counties from effectively measuring such Programmes' impact and informing necessary adjustments.

² The National Assembly Hansard report dated Wednesday 25 September, 2024, Page 21

- v) The provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.
- vi) Given the above factors, the audit sought to assess the progress made by the County Government of Kilifi in eliminating barriers to access to education by needy learners and the efficiency and effectiveness with which the County had utilized and disbursed bursary and scholarship funds to beneficiaries.

CHAPTER 2: DESIGN OF THE AUDIT

Objective of the Audit

- 2.1 The main objective of the audit was **“To assess the extent to which the County Government of Kilifi has ensured access to bursaries and scholarships by needy learners.”**

The specific objective was to assess whether the County Government of Kilifi ensured:

- i. Adequate allocation of bursaries and scholarship funds; and
- ii. Timely disbursement of bursaries and scholarships to needy learners.

Audit Questions

- 2.2 The main audit question that guided the team in carrying out the audit was **“Has the County Government of Kilifi ensured access to bursaries and scholarships by needy learners?”**

The audit sub-questions that guided the team in achieving the audit objective were:

- i. Has the County Government of Kilifi ensured adequate allocation of bursaries and scholarships?

Sub-sub-questions:

- a) Does the Kilifi Ward Scholarship Fund Board adequately identify needy learners?
- b) Has the County Government of Kilifi ensured equitable allocation of the available bursary scholarship resources?
- c) Does the administrative expenses affect bursaries and scholarships allocation?
- d) Has the County Government of Kilifi ensured access to education for persons living with disabilities?
- ii. Has the County Government of Kilifi ensured timely disbursement of bursaries and scholarships?

Sub-sub-questions:

- a) Has the Kilifi Ward Scholarship Fund Board ensured timely processing and disbursement of bursaries and scholarships?
- b) Has the County Government of Kilifi adopted an efficient mode of bursaries and scholarships disbursement?

Audit Scope

- 2.3 The audit focused on the activities of the County Government of Kilifi in ensuring access to bursaries and scholarships for needy learners within the Kilifi County. These are identification of needy learners, allocation of bursaries and scholarships, and disbursements of funds. The audit covered the financial years 2021/2022 to 2024/2025, which was deemed sufficient to establish trends and provide a comprehensive assessment. The audit was conducted between September 2024 and December 2025.

Limitation of Scope

- 2.4 The audit team was unable to conduct a comprehensive and uniform review across all academic terms during the audit period due to gaps in the availability and completeness of key data and information. This limited the audit's ability to determine timeliness in the disbursements of funds to learning institutions.

Audit Criteria

- 2.5 The criteria used to assess the extent to which the County Government of Kilifi ensured access to bursary and scholarship funds to needy learners are presented in **Table 1**.

Table 1: Audit Criteria

Audit Sub-Objective	Audit Criteria	Source of Criteria
To assess the extent to which the County Government of Kilifi has ensured adequate allocation of bursaries and scholarship funds	The Kilifi County Ward Scholarship Fund is dedicated to assisting bright students from underprivileged families to access education.	Part I Section 3(b) of the Kilifi County Ward Scholarship Fund Act, 2018.
To determine the extent to which the County Government of Kilifi has ensured timely disbursement of bursaries and scholarships to needy students.	The Kilifi Ward Scholarship Fund Board is expected to ensure timely and efficient disbursement of funds to the qualifying beneficiaries' institutions.	Part III Section 14 (a) of the Kilifi County Ward Scholarship Fund Act, 2018.
	To ensure smooth uninterrupted learning of students under the bursary and scholarship program, it is expected that bursary and scholarship funds should be disbursed on or before school opening dates.	Best Practice

Source: OAG compilation

Standards Used to Conduct the Audit

2.6 The audit was conducted in accordance with the Performance Audit Standard, ISSAI 3000. The Standard requires that the audit is planned and performed to obtain sufficient and appropriate audit evidence. The Standard also requires that the audit should provide a reasonable basis for the findings, conclusion and recommendations, based on the audit objectives.

Methods Used to Gather Audit Evidence

Document Review

2.7 The key documents reviewed are as indicated in **Table 2**. These documents provided insights into the management of bursaries and scholarships in the County and facilitated the corroboration of data necessary to achieve the audit objective.

Table 2: List of Documents Reviewed

Document	Purpose of the Review
Approved County Budgets	• To obtain evidence on annual strategies, deliverables and budget allocations on bursaries and scholarships.
County financial reports, expenditure schedules and bank statements, uncollected, stale and unrepresented cheques	• To ascertain the extent of resource allocation and expenditure towards bursaries and scholarships. • To ascertain the efficiency in the mode of bursaries and scholarships disbursement.
Disbursement reports and schedules	• To gather evidence on disbursement amounts and timelines. • To obtain evidence on receipt of funds by institutions.
Beneficiary fee structure and statements	
Acknowledgement reports by schools	
Monitoring reports	
Correspondences between bursary and scholarships providers	• To ascertain the extent of acknowledgement of bursaries and scholarships. • To ascertain the extent of monitoring and coordination of bursaries and scholarships by the County Government.
Application forms and support documents	• To obtain evidence on the number of applicants and beneficiaries. • To obtain evidence on identification of beneficiaries for bursaries and scholarships and adequacy of awarded amounts. • To obtain evidence on criteria and process for awarding bursaries and scholarships.
Beneficiary lists	
Vetting committee minutes	
Complaints/ Grievance registers and grievance resolution reports	• To obtain evidence on existence and effectiveness of redress mechanisms for aggrieved applicants.

Source: OAG compilation

Interviews

2.8 Interviews were held with various key personnel in the County Government of Kilifi, Wards Bursary Committee representatives, heads of learning institutions, and other key role players in order to gather evidence on access to bursaries and scholarships, as detailed in **Table 3**.

Table 3: List of Persons Interviewed

Interviewee	Purpose of the Interview
County Executive Committee Member, Education and Chief Officer	To obtain evidence on the bursary application process, eligibility criteria, number of applicants and challenges in disbursement.
County Bursary Committees	To obtain evidence on the legal framework and structure, budgeting and expenditure, application and vetting process, monitoring and evaluation, and programme successes and challenges.
Ward Bursary Committees	To obtain evidence on composition and tenure, application and eligibility criteria, number of applicants, monitoring and evaluation, successes, challenges and recommendations.
National Government Administrative Officers	To obtain evidence on the role of chiefs and assistant chiefs in identification of needy learners eligibility criteria, and challenges faced.
Principals and Heads of Finance (Sampled Institutions)	To gather evidence on the role of learning institutions in bursary administration, accountability for received funds, sufficiency of allocations and disbursement challenges.
Controller of Budget	To gather evidence on timeliness of funds disbursement.

Source: OAG compilation

Surveys

2.9 The audit team undertook surveys with beneficiaries in sampled learning institutions to assess their level of satisfaction with the provision of bursaries and scholarships. The surveys enhanced understanding of beneficiaries' experiences in the application process, benefits derived from the bursary and scholarship programmes, follow-up mechanisms available to the learners after the application process, and challenges faced in accessing the funds.

Sampling and Sample Size

2.10 Five (5) out of thirty-five (35) Ward Bursary Committees in the County were sampled for the audit. These include the Tezo, Rabai Kisurutini, Chasimba, Mwanamwinga and Sokoni Ward Bursary Committees. The basis for their selection was sub-county representation and absorption of funds for bursaries and scholarships.

2.11 Additionally, nine (9) learning institutions were sampled based on the number of beneficiaries. These included Bahari Girls, Gede, Kilifi Township, Ribe Boys, St. John's Girls, and St. Thomas Girls Secondary Schools, as well as Kaloleni, Sokoni, and Kambe Ribe Vocational Training Centres.

CHAPTER 3: DESCRIPTION OF THE AUDIT AREA

Legal and Institutional Framework for Provision of Bursaries and Scholarships

- 3.1 The Constitution of Kenya, 2010 provides the framework for the State to ensure that education is accessible to all citizens. Articles 43(1)(f) and 53(1)(b) recognize that every child in Kenya, regardless of their background, has the right to access quality education and that they should attend school until they complete their basic education. Schedule 4 Part 2 (9) of the Constitution specifically lists village polytechnics as one of the functions that have been devolved to county governments.
- 3.2 The Basic Education Act, 2013, in its guiding principles under Section 4(a) and (b), establishes that every child has the right to free and compulsory basic education. The Act also provides that youth have equitable access to basic education and equal access to educational institutions.
- 3.3 Section 116 of the Public Finance Management Act, 2012, gives power to counties to establish other public funds. It is on this basis that the County Government of Kilifi established a Bursary and Scholarship Fund. The Section also provides that allocations to the Fund should be within the established legal structures and also clarifies the roles and responsibilities of different government entities involved in the management of bursary funds. This ensured that the County Government adhered to financial regulations and accountability principles in the management of the Fund.
- 3.4 The County Government of Kilifi established the County Ward Scholarship Fund Act, 2018. The Act establishes the Management of the Fund, the Board and Ward Bursary Committees, and their functions. Additionally, the Act provides mechanisms for monitoring and also sets standards for transparency and accountability in the management of the Fund.

Bursary Committees and their Respective Roles

- 3.5 The roles of the Ward Scholarship Fund Board and the Ward Bursary Committees for the County Government of Kilifi are indicated in **Table 4**.

Table 4: Bursary Committees and their Respective Roles

Committee	Roles of the Committee
Ward Scholarship Fund Board	• Ensure timely and efficient disbursement of funds to the qualifying beneficiaries' institutions. • Ensure efficient management of the Fund. • Receive and address complaints that may arise from the implementation of the Act. • Administer the funds and assets of the Board in such a manner and for such purpose as shall promote the best interest of the Board, in accordance with the Act, to ensure efficient management of the Fund.
Ward Scholarship Committee	• Receive, assess, vet and approve scholarship applications and recommend deserving cases to the Board. • Ensure fair and equitable allocation of scholarships at the ward level. • Monitor the academic performance of scholarship recipients. • Perform any other duty required of it by the Board.

Source: Kilifi County Ward Scholarship Fund Act, 2018

Other Key Actors in the Provision of Bursaries and Scholarships

- 3.6 Apart from the County Government of Kilifi, there are several other key actors involved in provision of bursaries and scholarships, as summarised in **Table 5**.

Table 5: Key Actors in the Provision of Bursaries and Scholarships

Institution	Role
National Governments Administrative Officers	The Officers are responsible for the coordination of national government functions in their respective jurisdictions. Therefore, the chiefs and assistant chiefs help in identification of potential beneficiaries by vetting the applicants and recommending the applications for onward processing by the County Bursary Committee/Board
Other Bursary Providers (Ministry of Education (MoE), National Government Affirmative Action Fund (NGAAF), National Government Constituency Development Fund (NG-CDF) and Presidential Secondary School Bursary (PSSB).	Providing bursaries and scholarships to needy learners. The County of Kilifi is therefore, expected to liaise with these entities to avoid duplications in allocation of bursaries and scholarships to learners within Kilifi County.
The National Treasury and Economic Planning, Controller of Budget	Disbursement of bursary and scholarship funds to the County Government.

Source: OAG review of legal frameworks on key actors

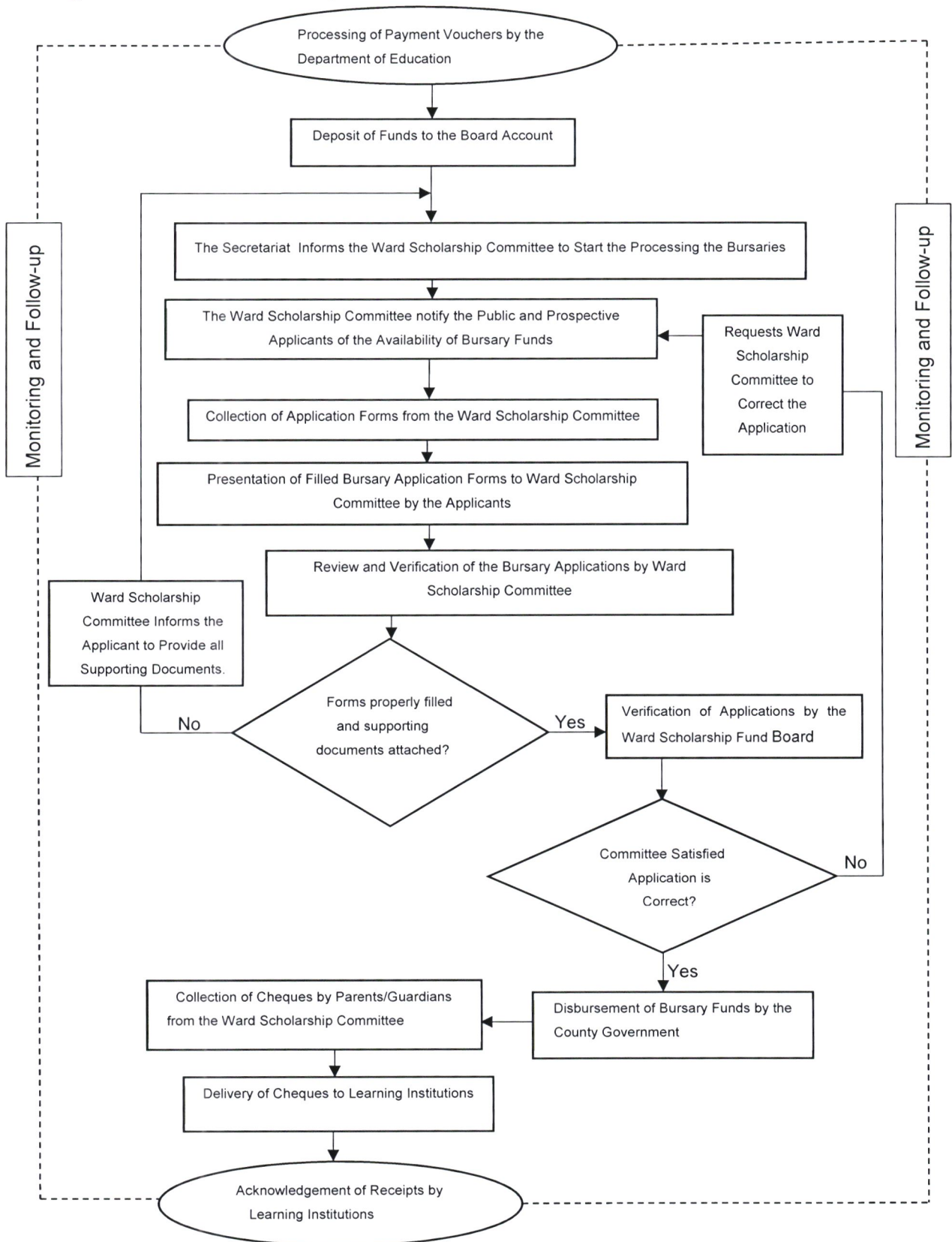
Process Description for Issuance of Bursaries and Scholarships

- 3.7 The bursary and scholarship award process starts when the Department of Education makes requisition for bursary allocation from the County Treasury. After approval, the County Treasury deposits the funds into the Kilifi County Ward Scholarship Fund account. The Kilifi County Ward Scholarship Fund Board through its Secretariat informs the Ward Scholarship Committees to begin the award process.
- 3.8 The Ward Scholarship Committees are expected to notify the public about the application process, including requirements and deadlines, by displaying notices at chiefs' camps. Applicants collect and submit the prescribed forms to the Ward Scholarship Committee, which then evaluates and verify all applications. After the Committees submit lists of recommended beneficiaries, the Board publicizes the

final consolidated list of approved beneficiaries for transparency. Finally, beneficiaries collect their cheques, and learning institutions are as well expected to acknowledge receipt of funds, while the Committees monitors the recipients' academic performance.

- 3.9 For scholarships, once the funds are deposited into the Board's account, students who have qualified for national schools are requested to present their fee structures, report forms, and fee statements. A list of the beneficiaries with their details is prepared by the Secretariat and funds are processed through an Electronic Fund Transfer to the bank. Thereafter, individual schools are notified by email of the beneficiaries and the amount disbursed. **Figure 1** depicts the process involved in the provision of bursaries by the County Government of Kilifi.

Figure 1: Process Description for Issuance of Bursaries



Source: OAG review of County Bursary and Scholarship Guidelines and Interviews

Funding for County Bursaries and Scholarships

3.10 Bursary and scholarship activities at the County Government of Kilifi are mainly funded by the Government through the Exchequer. Review of the financial records indicated that the Kilifi County Ward Scholarship Fund allocation during the period under review was between 25-42% of the total education budget, as indicated in **Table 6**.

Table 6: Allocation of Education Budget

Category	2022/2023		2023/2024		2024/2025	
	Amount(Kshs.)	%	Amount(Kshs.)	%	Amount(Kshs.)	%
Pre-Primary Education	386,368,601	46%	398,577,812	40%	611,948,595	29%
Bursaries	350,000,000	42%	350,000,000	35%	526,629,763	25%
Other Allocations	102,432,599	12%	248,005,272	25%	943,804,230	45%
Total	838,801,200		996,583,084		2,082,382,588	

Source: OAG analysis of the financial documents

CHAPTER 4: FINDINGS

4.1 The Kilifi Ward Scholarship Fund Board has made progress in the provision of bursaries and scholarships in the County. Review of the beneficiary lists revealed that the County had cumulatively issued scholarships to 2,123 students and awarded bursaries to 191,147 students between the 2021/2022 and 2024/2025 financial years, across the thirty-five (35) Wards.

4.2 Despite the success, there were weaknesses that hindered full realization of the intended objectives, as discussed below: -

I. Inadequate Verification and Vetting of Needy Learners

4.3 The Kilifi County Ward Scholarship Fund Act, 2018 indicates that the objective of the Fund is to provide scholarships and bursaries to assist bright students from under privileged families to access education and training. The Act also provides that every student who wishes to be considered for the grant of scholarship shall make an application to the Ward Scholarship Committee in the form prescribed in the Fourth Schedule.

4.4 The Fourth Schedule prescribes mandatory attachments for scholarship and bursary applicants: a copy of the parent or guardian Identity Card; a copy of the fee structure or fee statement; and a copy of a progress report, result slip, or a transcript. Other supporting documents, where applicable, include a death certificate or a letter from a chief, religious leader, or prominent referrer explaining disability or other disadvantaged circumstances. The Act also provides that all duly completed forms will be eligible for evaluation and that Ward Scholarship Committees may accept or reject an application.

4.5 Interviews with the Kilifi Ward Scholarship Fund Board established that the awarding of scholarships was limited to students who qualified to National Secondary schools, regardless of their financial capability. Review of the scholarship files revealed that the scholarship beneficiaries did not fill out the prescribed application forms meant for applicant vetting. Instead, the Board

required the selected beneficiaries to fill out a secondary school scholarship agreement form as a promise to adhere to the requirements of the scholarship. Further, interviews with three (3) out of the five (5) Ward Scholarship Committees revealed that bursary applicants accessed application forms from cyber cafes at a fee, yet the forms were supposed to be provided free of charge.

- 4.6 The audit revealed that bursaries were awarded to beneficiaries with incomplete and unsupported application forms. Review of two hundred and twenty seven (227) sampled forms revealed that only fifty-five (55), representing 24%, had the required attachments, while one hundred and seventy two (172), representing 76%, were not fully supported. Further analysis of the one hundred and seventy (172) application forms indicated that one hundred and twenty two (122), representing 71%, did not have the school fee statements attached. The other missing documents are as indicated in **Table 7**.

Table 7 : Missing Documents in the Application Forms

Required Document	Number of Forms Missing the Document out of the 172	Percentage
1. Fee statement	122	71%
2. Application Serial Number	79	46%
3. Report Form/Result Slip	69	40%
4. Fee Structure	60	35%
5. Parents I. D	38	22%

Source: OAG analysis of sampled application forms

- 4.7 Further, review of the sampled two hundred and twenty seven(227) bursary application forms revealed that only fifty-four (54), representing 24%, were duly filled. However, one hundred and seventy three(173) forms, representing 76%, had missing information in critical sections used to assess applicants' eligibility and financial need, yet bursaries were awarded. Further analysis of the one hundred and seventy-three (173) forms indicated that sixty (60), representing 35%, did not bear the required approvals and endorsements from the Ward Scholarship Committee officials. In addition, the committees did not provide evidence of engagement with the learning institutions in sixty-two (62), representing 36%, of the forms. Details of the missing information are provided in **Table 8**.

Table 8: Missing Information in Application Forms

Required Information	Forms Missing Information out of the 173	Percentage
1. School endorsement	62	36%
2. Ward Bursary Committee approval	60	35%
3. Recommendation from chief and religious leaders	44	25%
4. Parent/Guardian declaration	43	25%
5. Applicant declaration	40	23%
6. Amount allocated	39	23%
7. Applicant family information	39	23%
8. Outstanding fee balance	31	18%
9. Academic performance	31	18%
10. Applicant details	23	13%
11. Evidence of need	17	10%
12. Disability status	7	4%
13. Admission number	4	2%

Source: OAG analysis of sampled application forms

- 4.8 Inadequate verification was attributed to the failure of the Ward Scholarship Fund Board and the Ward Committees to adhere to the laid-down regulations on scholarship and bursary applicant eligibility. Further, the Board did not oversee the Ward Committees' bursary verification and vetting procedures, as required by the regulations. While interviews indicated that the Board sampled a few recommended bursary applicants to ascertain their eligibility, review of application forms confirmed verifications were not done as the forms lacked a provision for Board approval.
- 4.9 Consequently, needy and deserving students could have missed out on the bursaries and scholarships and thereby defeating the objectives of the County Fund. Awarding scholarships exclusively to students in National Schools creates a compounding advantage for an already privileged group, while deepening educational inequity. By directing financial aid only to them, the County fails to support talented but underprivileged students in Extra County and County Schools, who may face greater financial hurdles and lack the facilities found in National Schools.

II. Inadequate Allocation and Award of Bursaries

- 4.10 Among the key documents the applicants are required to submit is the school fee statement, which provides evidence of the applicant's current fee balance and

therefore, assists in determining the extent of financial need. The Ministry of Education has set a standard fee of Kshs.53,554 for National Schools and Kshs.40,535 for Extra-County and County Schools, respectively.

- 4.11 Analysis of the list of beneficiaries and sampled fee statements for the Financial Year 2024/2025 revealed disparities between bursary amounts awarded and students' actual fee balances, indicating that outstanding fee balances were not used as a criterion to identify and award the needy students. Beneficiaries who had arrears of more than Kshs.50,000 received amounts between Kshs.5,000 and 7,000, which on average represented 13.35% of their school fees, as indicated in Table 9.

Table 9: Amount of Bursary Awarded Versus School Fee Balance

School Fee Balance in Kshs.	Amount of Bursary Awarded in Kshs.	Percentage of Bursary Awarded Versus School Fee Balance
93,468.00	7,000.00	7.5%
82,801.00	5,000.00	6.0%
73,954.00	7,000.00	9.5%
72,076.00	5,000.00	6.9%
64,120.00	7,000.00	10.9%
61,954.00	5,000.00	8.1%
55,585.00	7,000.00	12.6%
54,070.00	5,000.00	9.2%
48,890.00	5,000.00	10.2%
45,402.00	4,000.00	8.8%
43,654.00	5,000.00	11.5%
36,236.00	7,000.00	19.3%
27,946.00	5,000.00	17.9%
17,070.00	5,000.00	29.3%
15,360.00	5,000.00	32.6%
Average		13.35%

Source: OAG analysis of list of beneficiaries and sample of fee statements

- 4.12 In addition, the awarded amount of between Kshs.4,000 and Kshs.7,000 are deemed too low to make a meaningful impact on the fee charges approved by the State Department for Basic Education. These amounts cover only 13% to 17% of the fees for National and County Schools.

- 4.13 In addition, bursaries were awarded to five(5) learners who had fee overpayments, as indicated in **Table 10**.

Table 10: Beneficiaries with Overpayments and Awarded Bursaries

Learner	Fees Overpayment in Kshs.	Additional Amount Awarded in Kshs.
Learner 1	39,250	5,000
Learner 2	18,105	5,000
Learner 3	12,465	8,000
Learner 4	11,057	28,537
Learner 5	5,292	5,000

Source: OAG analysis of list of beneficiaries and sampled fee statements

- 4.14 The inadequate allocation and award of bursaries was attributed to inadequate needs assessment by Ward Scholarship Committees. Further, the Kilifi Ward Scholarship Fund Act, 2018 did not specify the minimum and maximum bursary allocation or a percentage in relation to the school fees balance. Consequently, the funds were allocated thinly across a large number of applicants, thereby reducing the impact of the bursaries to the needy and vulnerable. The objective of the County Bursary Fund was therefore undermined, as needy students with large fee arrears face the risk of school discontinuation, while students with limited financial needs benefit.

III. Multiple Allocation of Bursaries and Scholarships to Single Beneficiaries

- 4.15 Good practice requires that bursaries and scholarships must be allocated equitably, reaching a wider range of deserving individuals, and explicitly preventing multiple awards to the same applicant, in order to maximize their impact and ensure fairness.
- 4.16 Review of the list of beneficiaries for the Financial Years 2021/2022 to 2024/2025 revealed that 26,735 beneficiaries had multiple allocations from different Wards or the same Ward within the County, as detailed in **Table 11**.

Table 11: Summary of Beneficiaries with Multiple Allocations Across Different Wards within Kilifi County

No. of Students	No. of Times the Students Benefitted from the Wards	Amount Range (Kshs.)
2024-2025		
5,266	2-5	6,000-128,000
1,201	6-10	23,000-137,000
68	11-16	44,000-158,000
2023-2024		
5,091	2-5	6,000-124,000
948	6-10	17,000-156,000
104	11-17	44,000-214,000
2022-2023		
5,788	2-5	5,000-127,000
1,647	6-10	23,000-167,500
487	11-21	44,500-419,500
2021-2022		
4,677	2-5	5,000-145,000
1,073	6-10	21,000-183,000
385	11-24	50,000-399,108

Source: OAG analysis of list of beneficiaries for the Financial Year 2021/2022 to 2024/2025

4.17 In addition, review of fee statements in three (3) sampled schools for the academic years 2024 and 2025 revealed that one hundred and thirty-three (133) bursary and scholarship beneficiaries had multiple allocations of bursaries from various public providers. These multiple allocations led to fee overpayments totaling Kshs.1,033,701 for sixty-eight (68) beneficiaries, as shown in **Table 12**.

Table 12: Analysis of Multiple Bursaries Awards from Various Public Providers

Number of Bursaries	Public Institution	No. of Students	Total Overpayment in Kshs.
2	Bahari Girls	16	412,409.00
2	St. Johns Girls	7	39,930.00
2	St. Thomas Girls	27	320,038.00
3	Bahari Girls	3	82,835.00
3	St. Johns Girls	3	10,300.00
3	St. Thomas Girls	9	94,620.00
4	St. Johns Girls	1	23,159.00
4	St. Thomas Girls	1	6,106.00
5	St. Johns Girls	1	44,304.00
Total		68	1,033,701.00

Source: OAG analysis of fee statements for sampled secondary schools

4.18 Based on the annual tuition fees approved by the State Department for Basic Education, the overpayments could have fully paid school fees for an additional nineteen(19) or twenty six(26) beneficiaries in National or County Schools respectively, as shown in **Table 13**. At an assumed amount of Kshs.20,000 which is deemed to be significant support, the amount could also have supported an additional fifty two (52) learners.

Table 13: No. of Students who Would Have Benefitted from the Overpayments

Category of School	Approved Standard Fee (Kshs.)	Total Overpayment from Sampled Students (Kshs.)	Number of students Who Would Have Benefitted from the Overpayments(Kshs.)
National	53,554	1,033,701	19
County	40,535	1,033,701	26
Assumed Rate	20,000	1,033,701	52

Source: OAG analysis of the State Department for Basic Education approved fee structure and fee statements

4.19 Multiple allocations of bursaries and scholarships were attributed to lack of a formal framework to guide coordination among the various public providers. Management of the Fund had also not established an information system to integrate beneficiary data across the various Wards. Furthermore, spreading of funds too thinly resulted in significantly low awards, prompting learners to apply to multiple providers in the hope of securing enough funds to cover their fees. The audit also linked double allocations to single beneficiaries within the Wards to a lack of independence in the vetting process, where informal social networks exerted undue influence over the selection. As a result, the distribution of funds to needy learners was inequitable.

IV. Inefficient Bursary Data Management System

4.20 Section 149 (2) of the Public Finance Management Act, 2012 requires that all financial and accounting records that the entity keeps in any form, including in electronic form, are adequately protected, and backed up. Good practice also requires that county governments develop and operate a records management system that not only provides for safe custody but also ensures efficient retrieval of information.

4.21 Review of records and interviews with the Board and five (5) sampled Ward Scholarship Committee members revealed that bursary information was stored in manual physical files, while lists of beneficiaries were stored in soft copy. Interviews with the Board and Ward Scholarship Committees attributed inefficient bursary data management to a lack of budgetary allocation to implement an automated system with the necessary infrastructure and expand physical storage capacity, as indicated in **Table 14**.

Table 14: Challenges Affecting Efficient Data Management at the Board and Ward Levels

Board/ Level	Ward	Challenges Affecting Efficient Data Management
Board		• There was limited space to store the bulk paper work associated with the bursary process. • The computer system frequently broke down. • Manual storage of data made information retrieval and backup challenging. • Inadequate funds to procure bursary and scholarship processing system.
Tezo and Rabai		• Lacked a computer to store bursary data.
Chasimba		• There was no backup system for information security.

Source: OAG analysis of Ward Scholarship Committees interview minutes

4.22 Inefficient data management compromised data accuracy, transparency and accountability, as well as timeliness in the bursary awards, resulting in exclusion of deserving applicants and double dipping. It also made information retrieval challenging and created a risk of permanent information loss.

V. Lack of Data on Access to Bursaries and Scholarships by Persons with Disabilities

4.23 Target 4.5 of the Sustainable Development Goal 4 requires the Government to ensure equal access to all levels of education and vocational training for persons living with disabilities by 2030. Interviews with the Kilifi County Scholarship Fund Board and the five (5) sampled Ward Scholarship Committees revealed that they had put in place mechanisms to identify and award bursaries to Persons with Disabilities. All the committees had a person with disability representative as a member and prioritized persons with disability when awarding bursaries and scholarships.

4.24 Further, the Mwanamwinga Ward Committee engaged chiefs and assistant chiefs in the identification of persons with disabilities, while Chasimba Ward ensured that bursary application forms were issued to persons living with disabilities. However, the Kilifi County Scholarship Fund Board and the five (5) sampled Ward Scholarship Committees lacked statistics on beneficiaries living with disabilities. There was, therefore, no evidence that persons living with disabilities had benefited from the Bursaries and Scholarships Programme in Kilifi County.

4.25 Lack of data on beneficiaries living with disabilities was attributed to poor record keeping. As a result, it was not possible to monitor and evaluate the County's progress towards ensuring equal access to all levels of education and vocational training for persons living with disabilities.

VI. High Administrative Expenses

4.26 Regulation 197 (1) (d) of the Public Finance Management (County Governments) Regulations, 2015 stipulates that administration costs of a Fund shall be a maximum of 3% of the approved budgets of the Fund. Review of audited financial statements for the Kilifi County Ward Scholarship Fund for four (4) financial years, from 2021/2022 to 2024/2025 revealed that, administrative expenses exceeded the statutory 3% of the total allocation for bursary and scholarship for three (3) financial years. The total excess expenditure for the four (4) years was Kshs.4,515,210, as shown in **Table 15**.

Table 15: Percentage of County Government of Kilifi Administrative Expenditure

Financial Year	Approved Budget Allocation on Bursaries and Scholarships (Kshs.)	3% Threshold (Kshs.)	Actual Administrative Expenditure (Kshs.)	Excess of the 3% Threshold (Kshs.)	% Administrative Cost to Approved Budget Allocation
2021/2022	350,000,000	10,500,000	10,658,137	158,137	3.05
2022/2023	350,000,000	10,500,000	13,669,536	3,169,536	0.91
2023/2024	350,000,000	10,500,000	11,687,537	1,187,537	0.34
2024/2025	526,629,763	15,798,892.89	14,572,120	(1,226,772.89)	-
Total				4,515,210	

Source: OAG analysis of Audited Financial Statement

4.27 Additionally, out of the total expenses for the Financial Years 2022/2023 to 2024/2025, a total of Kshs.1,849,654 was irregularly spent on activities not directly related to the administration of the bursary and scholarship, such as subscriptions and seminar fees to professional bodies. This together with the excessive administrative expenses of Kshs.4,515,210 gave rise to Kshs.6,364,864 on anomalies related to administrative expenses in the period under review.

4.28 The amount could have paid annual school fees for one hundred and nineteen (119) students in National Schools or one hundred and fifty seven (157) students in County Schools, as shown in **Table 16**. At an assumed amount of Kshs.20,000 which is deemed to be significant support, the amount of Kshs.6,364,864 would have catered for an additional three hundred and eighteen (318) beneficiaries.

Table 16: Number of Students Who Would Have Benefitted from the Irregularly Spent Amount

Category of School	Standard fee approved by the State Department for Basic Education (Kshs.)	Total amount spent on anomalies related to administrative expenses (Kshs.)	No. of students who would have benefitted (Kshs.)
National	53,554	6,364,864	119
County	40,535	6,364,864	157
Assumed Rate	20,000	6,364,864	318

Source: OAG analysis of irregularly spent amount based on approved fee structure

4.29 The excess administrative cost was attributed to inadequate oversight by the Fund Board and use of inefficient mode of disbursement. Consequently, the resources available for bursaries and scholarships was reduced, depriving potential beneficiaries the needed financial support.

VII. Lack of a Structured Grievance Redress Mechanism

4.30 Section 28 of the Kilifi County Ward Scholarship Fund Act, 2018 states that any applicant aggrieved by the decision of the Ward Committees may appeal to the Board within thirty (30) days of the committee's decision. In addition, the Public Sector Complaints Handling Guide, 2016 states that a complaint handling

mechanism should be established in every public institution to ensure that complaints are given the necessary attention, to improve the delivery of services.

4.31 The Guide further states that even where complaints are integrated into the service delivery process, there should be a designated section, office, or unit that bears the primary responsibility for the handling of complaints in the institution. It also underscores the need for all public institutions to establish delineated complaint-handling mechanisms that are part and parcel of service provision to the public.

4.32 Interviews with the Fund Board and the five (5) Ward Scholarship Committees revealed that only the Board and Rabai Ward Committee had selected days for hearing and addressing grievances. However, the process of handling complaints was informal and undocumented at the Ward level. It was therefore, not possible to assess the extent to which grievances were resolved. The details of how the grievances were handled is shown on **Table 17**.

Table 17: Handling of Complaints at the Board and Ward Levels

Board/Ward Committees	Recording and Handling of Complaints
Fund Board	- Recorded complaints. - Did not document complaint follow-up or resolution.
Mwana Mwinga	- Received and addressed complaints informally. - Did not document complaints follow-up or resolution.
Tezo	
Sokoni	
Chasimba	Recorded complaints in a log book.
Rabai	- Recorded complaints in a log book. - The Member of the County Assembly (MCA) was expected to address the complaints.

Source: OAG analysis of interview minutes

4.33 Lack of a structured grievance redress mechanism was attributed to the absence of a formal policy or operational guideline by the Board defining the procedures for handling and documenting complaints. As a result, transparency and accountability was undermined in the administration of bursary and scholarship funds, as there were no verifiable records of how complaints were handled and resolved.

VIII. Delays in Disbursement of Bursaries and Scholarships to Learning Institutions

4.34 Section 14 (a) of the Kilifi County Ward Scholarship Fund Act, 2018 requires the Board to ensure timely and efficient disbursement of funds to the qualifying beneficiaries' institutions. Good practice requires that bursary and scholarship funds are disbursed on time to ensure smooth, uninterrupted learning of students under the Bursary and Scholarship Programme.

4.35 Analysis of fee statements of fifty (50) beneficiary students from Bahari Girls Secondary School revealed that disbursement of scholarship funds for second term in the 2025 academic year was done approximately two (2) to three(3) months after the beginning of the term, as detailed in **Table 18**.

Table 18: Extent of Delays in Scholarship Disbursements

Admission Number	Date of Disbursements as Per the Sampled Fee Statements	Delay in Months
4919	07/07/2025	2
4362	07/07/2025	2
5035	07/08/2025	3
4912	07/07/2025	2
5086	07/08/2025	3
5075	07/07/2025	2
4851	07/08/2025	3
4977	02/07/2025	2
4851	07/08/2025	3
5090	07/07/2025	2
5229	07/08/2025	3
4846	23/07/2025	3
5269	08/07/2025	2
4871	07/08/2025	3
5257	07/07/2025	2
4965	07/08/2025	3
5056	07/07/2025	2
5118	07/08/2025	3
4933	07/08/2025	3
4857	07/07/2025	2
5088	07/07/2025	2
5162	08/07/2025	2
5047	07/08/2025	3

Source: OAG analysis of Bahari Girls Secondary School fee statements

4.36 The delays in disbursement of funds to learning institutions was attributed to late exchequer disbursements. Consequently, the beneficiaries academic progress was threatened by lost and interrupted learning times.

IX. Inefficient Mode of Bursary Disbursement

- 4.37 Best practice requires that bursary payments be remitted directly to the respective education institutions through efficient means. Review of records and interviews with the Board and the five (5) sample Ward Bursary Committees revealed that bursary funds were disbursed through cheques, while scholarships were disbursed through Electronic Funds Transfer (EFT) to the learning institutions.
- 4.38 Analysis of bursary disbursement records, bank reconciliations, and account statements for the 2021/2022 to 2024/2025 financial years revealed unpaid cheques totalling Kshs.85,377,372, which attracted bank commissions of Kshs.1,704,000. The analysis also revealed return-to-drawer cheques of Kshs.14,200,855, cancelled cheques of Kshs.18,336,334, and stale cheques of Kshs.22,308,368, as detailed in **Table 19**.

Table 19: Anomalies from Cheque Disbursements

Financial Year	Return to Drawer Cheques (Kshs.)	Cancelled Cheques (Kshs.)	Stale Cheques (Kshs.)	Unpaid Cheques (Kshs.)	Bank Commission (Kshs.)	Total Amount (Kshs.)
2021/2022	-	-	-	7,060,888	-	7,060,888
2022/2023	1,266,800	-	4,101,343	3,047,811	-	8,415,954
2023/2024	12,347,210	7,684,411	12,884,437	75,211,673	1,704,000	109,831,731
2024/2025	586,845	10,651,923	5,322,588	57,000	-	16,618,356
Total	14,200,855	18,336,334	22,308,368	85,377,372	1,704,000	141,926,929

Source: OAG analysis of Kilifi County Bursary Fund Bank Records

- 4.39 The inefficiencies in funds disbursement were attributed to weaknesses in cheque preparation, handling, and quality assurance procedures, resulting in image and data processing errors within the bank's Cheque Truncation System³. These included: unreadable Magnetic Ink Character Recognition⁴ code lines; illegible or irregular payee names; horizontal streaks; images that were too light or too dark; out-of-focus scans; crossing stamp overlaps; and incomplete payment amount

³ This is a digital system that speeds up cheque clearing by sending a high-resolution photo of the cheque to the paying bank instead of presenting the actual cheque.

⁴ Refers to the unique numbers printed at the bottom of a cheque using special magnetic ink. This allows computers to quickly read and process the bank's routing number and account details without manual entry.

images. Further, cheques were deposited with insufficient funds in the bursary or scholarship accounts, resulting in bank charges.

4.40 Consequently, there was loss of funds through charges arising from dishonoured and bounced cheques that could have otherwise been directed towards supporting additional beneficiaries. The total amount of Kshs.141,926,929 arising from anomalies in cheque disbursements could have paid annual school fees for 2,650 learners in National Schools or 3,501 in County Schools, as detailed in **Table 20**. At an assumed amount of Kshs.20,000 which is deemed to be significant support, the amount could also have supported an additional 7,096 learners.

Table 20: Number of Students Who Would Have Benefitted from Anomalous Cheque Disbursements Funds

Category of School	Standard Charged as Per State Department for Basic Education (Kshs.)	Fee Per	Total Anomalous Funds from Cheque Disbursements (Kshs.)	Number of Students Who Would Have Benefitted from the Funds (Kshs.)
National	53,554		141,926,929	2,650
County	40,535		141,926,929	3,501
Assumed Rate	20,000		141,926,929	7,096

Source: OAG analysis of the total anomalous funds from cheques disbursements based on approved fee structure

X. Inadequate Acknowledgement of Bursary and Scholarship Payments

4.41 Section 14 (b) of Kilifi County Ward Scholarship Fund Act, 2018 states that the Board shall ensure efficient management of the bursary and scholarship Fund. To observe this, best practice requires the Board to receive confirmation of the school fee amounts paid to beneficiary institutions to ensure proper accountability for the funds.

4.42 Analysis of acknowledgement letters and school fee receipts from learning institutions during the financial year 2024/2025 established that only Kshs.57,448,752, representing 18%, of the total funds disbursed were acknowledged, as detailed in **Table 21**.

Table 21: Percentage of Acknowledged Bursary and Scholarship Funds During the Financial Year 2024/2025

	Categories of Institutions	Amount Disbursed to Institutions (Kshs.)	Number of Students	Amount Acknowledged (Kshs.)	Percentage Acknowledged
1	Secondary schools	236,821,950	33,776	55,506,515	23%
2	Universities	28,180,409	3,121	813,078	3%
3	Colleges	40,042,887	4,869	984,571	2%
4	Vocational Training Centres	16,052,656	3,066	144,588	1%
Total		321,097,902		57,448,752	18%

Source: OAG analysis of acknowledgement letters and school fee receipts from learning institutions

4.43 Inadequate acknowledgement was attributed to inadequate monitoring and a failure by the Fund Management to follow up with learning institutions. As a result, accountability over bursary and scholarship disbursements was undermined, increasing the risk of diversion and misappropriation. Consequently, intended learners may fail to benefit from the funds even after the institution has received payment, as their individual fee accounts may not be credited in a timely manner.

XI. Inadequate Monitoring of the Bursary and Scholarship Fund

4.44 The Kilifi County Ward Scholarship Fund Act, 2018, requires the Ward Scholarship Fund Committee to monitor the academic performance of scholarship recipients and the County Department of Education to monitor the performance of all sponsored recipients. Interviews with the Kilifi County Scholarship Fund Board indicated that formal monitoring of sponsored recipients was not conducted. Furthermore, interviews with the sampled five (5) Ward Bursary Committees revealed only informal follow-up of beneficiaries, without proper documentation of feedback reports, as shown in **Table 22**.

Table 22: Ward Scholarship Fund Committees Follow-up Mechanisms

Ward	Monitoring Activities that the Ward Scholarship Fund Committees Indicated to have Undertaken	Reporting and Follow-up
Mwanamwinga	Conducted school visits to confirm payment of beneficiaries' school fees and academic performance.	The Committee did not have documented evidence of the follow-up activities nor action taken on gaps identified.
Tezo	Conducted school visits to confirm payment of school fees.	The Committee did not have reports on the visits undertaken or actions taken to address identified gaps.
Chasimba	Followed-up on beneficiaries' academic performance and fee balance.	The Committee did not have documented evidence of the follow-up activities nor action taken on gaps identified.
Sokoni	Engaged parents to confirm beneficiaries' school attendance.	The Committee did not have documented evidence of the engagements with parents nor action taken on gaps identified.
Rabai	Followed-up on beneficiaries' report forms to confirm school attendance.	The Committee did not have documented evidence of the follow-up activities nor action taken on gaps identified.

Source: OAG analysis of Ward Scholarship Committee interview minutes

4.45 The inadequate monitoring was attributed to the lack of a standardized framework for monitoring, follow-up and reporting on the implementation of the Programme. Consequently, the Board's capacity to properly assess the Fund's objectives, effectiveness, and overall impact was compromised. This limited the ability to identify and address operational gaps or weaknesses in a timely manner within the administration of bursaries and scholarships.

Other Findings

XII. Doubt in Continued Provision of Bursaries and Scholarships to Learners in National Government Institutions

4.46 The Fourth Schedule of the Constitution of Kenya on distribution of functions between the National Government and the county governments gives the counties the powers and functions for pre-primary education, village polytechnics, homecraft centres and childcare facilities. Further, Section 26 of the Intergovernmental Relations Act, 2012 requires that transfers or delegation of

powers, functions, or competencies between National and County Governments to be by a written agreement.

4.47 The audit revealed that the County Government of Kilifi was disbursing bursaries and scholarships to secondary schools, universities and colleges which was outside their mandate. Analysis of list of beneficiaries revealed that the highest allocation was to secondary schools at 87.6%, 82.4%, 86% and 73.7% in 2021/2022 to 2024/2025 financial years respectively, while vocational institutions were only awarded 0.1%, 3.4%, 2.8% and 5.0% over the same period, as shown in **Table 23**.

Table 23: Disbursement of Funds to the Various Beneficiary Institutions During the Financial Years 2021/2022 to 2024/2025

Financial Year	Category of Institution	Amount (Kshs.)	No. of Students	Percentage Disbursement Per Institution(%)
2021/2022	Secondary Schools	264,781,784	41,556	87.6
	Universities	31,753,514	2,884	10.5
	Colleges	5,383,065	642	1.8
	Vocational Training Centres	340,500	38	0.1
Total		302,258,863	45,120	
2022/2023	Secondary Schools	250,946,907	44,053	82.4
	Universities	35,127,205	3,616	11.5
	Colleges	7,916,200	928	2.6
	Vocational Training Centres	10,425,980	2,312	3.4
Total		304,416,292	50,909	
2023/2024	Secondary Schools	262,556,960	33,568	86.0
	Universities	28,668,890	2,821	9.4
	Colleges	5,626,560	708	1.8
	Vocational Training Centres	8,600,930	1,502	2.8
Total		305,453,340	38,599	
2024/2025	Secondary Schools	236,810,950	33,777	73.7
	Universities	28,180,409	3,121	8.8
	Colleges	40,042,887	4,869	12.5
	Vocational Training Centres	16,052,656	3,066	5.0
Total		321,086,902	44,833	

Source: OAG analysis of list of beneficiaries

4.48 The provision of bursaries and scholarships for learners in National Government institutions is threatened by an Intergovernmental Partnership Agreement that lacked the execution date and thus did not meet the required procedural and legal standards. Consequently, the sustainability of the bursary program is doubtful. In addition, County resources were misapplied at the expense of learners in institutions that fall under devolved functions, such as pre-primary education, village polytechnics, homecraft centres, and childcare facilities.

CHAPTER 5: CONCLUSION

- 5.1 The County Government of Kilifi did not distribute bursaries and scholarships equitably. Identification of needy learners and assessment of their financial situation was not done adequately, as applicants were awarded similar amounts regardless of their school fees needs and financial background.
- 5.2 Decisions made by the County in administration of bursaries and scholarships are not data driven as the county lacks an efficient bursary data management system. There is compromised data and information sharing amongst the wards, delayed provision of information on applicant's verification and award activities, and exclusion of learners living with disability. The County has also not put in place a system for collaboration with other public bursary service providers.
- 5.3 The County does not use the funds allocated for administration of the Programme prudently. Some expenditures were incurred on activities not directly related to administration of bursaries and scholarships. Further, the Grievance Redress Mechanism in use were unstructured and ineffective.
- 5.4 The County Government of Kilifi did not ensure timely disbursement of funds to learning institutions. This was evidenced by the fact that Funds were disbursed to learning institutions towards the end of the term.
- 5.5 The County Government of Kilifi did not efficiently disburse bursary funds to learning institutions. This was evidenced by additional costs incurred through dishonoured cheque transactions.
- 5.6 The County Government of Kilifi did not adequately monitor the Bursary and Scholarship Programme. The absence of standardized monitoring and evaluation tools hindered the development and enforcement of mitigation measures, which were necessary to guarantee efficiency in the disbursement of funds and the follow-up of beneficiaries.

- 5.7 The County Government of Kilifi did not ensure adequate acknowledgement of all the disbursed bursaries and scholarships funds, as less than 20% of the disbursed funds were acknowledged.
- 5.8 The provision of bursaries and scholarships for learners in institutions under the National Government is threatened by an Intergovernmental Partnership Agreement that lacked the execution date and thus did not meet the required procedural and legal standards. In addition, County resources were misapplied at the expense of learners in institutions that fall under devolved functions, such as pre-primary education, village polytechnics, homecraft centres, and childcare facilities.

CHAPTER 6: RECOMMENDATIONS

- 6.1 Based on the findings and conclusion of the audit, the following recommendations are proposed for implementation by the County Government of Kilifi and key stakeholders, to improve the provision of bursaries and scholarships to needy learners: -
- 6.2 To ensure adequate allocation of bursaries and scholarships, the Kilifi County Ward Scholarship Fund Board should:
- a) Proactively strengthen its oversight of Ward-level vetting and verification of application forms in order to ensure complete documentation. The Board should also implement regular reporting mechanisms by the ward committees. Also, the Board should consider revising its scholarship policy to ensure its more inclusive;
 - b) The Ward Committees should engage the learning institutions during the identification of needy learners;
 - c) The Kilifi County Ward Scholarship Fund Board, in collaboration with the Ward Bursary Committees, should develop a formal Needs Assessment Tool that assigns points based on specific, verifiable criteria such as family status, household income, and special circumstances; and
 - d) The Board should set bursary and scholarship award limits or a percentage of the fee balance to eliminate inconsistencies in decision-making across the Wards, minimize instances of spreading the funds thinly and ensure alignment with the fee structures approved by the State Department for Basic Education.
- 6.3 To prevent multiple allocation of bursaries and scholarships to single beneficiaries, the Kilifi County Ward Scholarship Fund Board should;
- a) Develop and implement a comprehensive system capable of integrating all beneficiary data through the use of a common unique identifier to enhance transparency and coordination:and
 - b) Develop and implement a co-ordination framework to enhance information sharing and joint planning with other public bursary and scholarship providers, and promote collaboration between Ward Bursary Committees, through

information and data sharing during administration of the bursaries and scholarships funds.

- 6.4 To eliminate cases of double allocation within the Wards and across bursary providers, the Ministry of Education, in collaboration with Parliament, should develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.
- 6.5 To address inefficiencies in data management, the Kilifi County Ward Scholarship Fund Board should explore adoption of Information and Communication Technology by investing in appropriate systems to automate the bursary and scholarship processes. Additionally, the Board should develop specific guidelines for the allocation of bursary and scholarship funds to learners with special needs to ensure inclusivity.
- 6.6 To reduce the high administrative expenses, the County should strengthen oversight and fast track the transitioning to using Electronic Funds Transfer (EFT) for funds disbursement, together with automated email to learning institutions.
- 6.7 To ensure existence of a Grievance Redress Mechanism, the Kilifi County Ward Scholarship Fund Board should develop and implement a formal grievance redress policy and accompanying Standard Operating Procedures (SOPs) to guide the receipt, handling, documentation, and resolution of complaints. Additionally, the Board should conduct public awareness outreach so that beneficiaries and applicants are informed of available grievance channels.
- 6.8 To ensure timely disbursement of funds to the learning institutions, the Exchequer and Controller of Budget should:
 - a) Expedite the budgetary approval process and explore the possibility of aligning the disbursements to the school calendars; and
 - b) Explore adoption of technology to integrate electronic transfer of beneficiary funds to learning institutions by leveraging existing platforms like the Kenya Education Management Information System (KEMIS), and the Integrated Financial Management Information System (IFMIS).

- 6.9 To ensure adequate monitoring and acknowledgement of disbursements, the Kilifi County Ward Scholarship Fund Board should fast track the procurement of an integrated system, featuring a monitoring interface for enhanced oversight. Additionally, the Board must proactively conduct continuous follow-ups with learning institutions to verify funds receipt. Finally, the Board should leverage technology by utilizing email, SharePoint or other digital platforms for efficient transmission and storage of acknowledgment letters and receipts from learning institutions.
- 6.10 To legally undertake the bursary and scholarship program to learners in institutions under the National Government, the Board should design and complete a formal intergovernmental transfer process and secure approval through gazettment by both the National Assembly and the County Assembly.

APPENDICES

Appendix 1: Auditee's Management Response on Audit Findings

No.	Audit Findings	Auditee's Management Response	OAG's Comments
1.	Inadequate Verification and Vetting of Needy Learners (Paragraph 4.3-4.9)	The scholarship office provides application forms to the wards freely but since the applicants are many the forms provided are normally not enough hence the need for an applicant to get the form from a cyber cafe becomes necessary but not always. Normally applicants submit their application forms with the required attachments. However, in the process of vetting, submission of the lists to the scholarship office, storage and passage of time, the attachments may become loose and be detached from the main application form. This is the reason why some forms had no attachments. Usually, the ward scholarship committees receive so many application forms, examination and signing all of them becomes a challenge so some forms may be left out an attended. However, in future the fund will make sure all the forms are duly filled before awarding of the bursary. In future, the Board will ensure that it oversees the ward committee vetting procedures to ensure that all needy and deserving students are not left out in the scholarships.	The Office acknowledge the response. The Scholarship Board's commitment to ensure that it oversees the ward committee vetting procedures to ensure that all needy and deserving students are not left out in the scholarships will be verified during a follow up of the audit. The finding remains as reported.

No.	Audit Findings	Auditee's Management Response	OAG's Comments
		The funds awards scholarships to National school students. However, wards also have scholarship programs for extra county and county schools using their allocation.	
2.	Inadequate Allocation and Award of Bursaries (Paragraph 4.10-4.13)	Agreed. It is true that a given beneficiary may have a huge fee arrears i.e 50,000 but only receive bursary as small as 5,000. This is due to insufficient allocation compared to the number of deserving applicants. This is occasioned by a situation where a parent paid money for other parental obligations but wrongly reflected in the fee statement showing overpayment. However, some regulations will be formulated to specify the minimum and the maximum bursary allocation in relation to the school fee balance. This will increase the impact to the needy and vulnerable applicants.	The Office acknowledge the response. The Scholarship Board's commitment to formulate regulations to specify the minimum and the maximum bursary allocation in relation to the school fee balance will be verified during a follow up of the audit. The finding remains as reported.
3.	Multiple Allocation of Bursaries and Scholarships to Single Beneficiaries (Paragraph 4.14-4.18)	Agreed. Due to uncertainty in getting bursary, this forces applicants to do multiple applications from different public bursary providers. Fortunately, in some case, the applicant benefits from all the providers and since fees are transmitted directly to	The Office acknowledge the Scholarship Boards commitment to procure data management system to manage multiple allocations within the wards. The Office will verify the implementation of the automation system during a follow up of audit.

No.	Audit Findings	Auditee's Management Response	OAG's Comments
		the school accounts, it becomes difficult to identify such students. However, due to late disbursement of funds, some parents are forced to pay fraction of the fees in order to retain their children in school. Bursary allocations to beneficiaries are normally not sufficient forcing learners to do multiple applications in various wards in order to get enough bursary to keep them in school. Again, it is notable that funds are normally released in tranches, so a learner can get once in each tranche which makes the beneficiary appear more than once. Data management system will be procured to manage multiple allocations within the wards. Sometimes it is difficult to get successful beneficiary lists	The finding remains as reported.
4.	Inefficient Bursary Data Management System (Paragraph 4.19-4.21)	Agreed. The Management is committed in procuring data management system to ensure data protection and retrieval of information.	The Office acknowledges the Scholarship Boards commitment to procure data management system to ensure data protection and retrieval of information. The Office will verify the implementation of the system through a follow up audit. The finding remains as reported.

No.	Audit Findings	Auditee's Management Response	OAG's Comments
5.	Lack of Data on Access to Bursaries and Scholarships by Persons with Disabilities (Paragraph 4.22-4.24)	Agreed	Agreed
6.	High Administrative Expenses (Paragraph 4.25-4.28)	The administration cost of the fund is 3% on annual expenditure but 3% on the budget allocation. Annual administration expenditure is not pegged on annual 3% allocation, it includes any balance of administration funds which remained in the previous financial year. So, the administration cost can surplus the 3% threshold depending on the last years balance. The fund normally has a budget which outlines how the 3% is utilized. The functions of the fund are performed by the secretariat which is also composed by professionals. To efficiently perform these duties, these staff have to constantly attend seminars and or workshops to upgrade.	The administration cost is still high as indicate in the audit finding. No evidence has been provided to support where it allows the staff to attend workshops or seminars using the funds allocation. The finding therefore, remains as reported.
7.	Lack of a Structured Grievance Redress Mechanism	Agreed. The Board has been receiving several complaints and adequately handles. Its only that there were no complaints record registers. However, the Board undertakes	The efforts made by the Board will be evaluated during a follow-up of the audit.

No.	Audit Findings	Auditee's Management Response	OAG's Comments
	(Paragraph 4.29-4.31)	to keep the complaints record book to record all the complaints. The process of handling grievances will be documented and made formal.	The finding remains as reported.
8.	Delay in Disbursement of Bursaries and Scholarship to Learning Institutions (Paragraph 4.32-4.35)	Agreed. However, delay of funds is normally caused by late remittances from the National Treasury	Agreed
9.	Inefficient Mode of Bursary Disbursement (Paragraph 4.36-4.37)	Agreed. However, the fund started the Electronic Fund Transfer since September, 2024. We are optimistic that these inefficiencies will be minimized. All these monies are normally returned back to the Ward for disbursement. So, no money is lost. Returned to drawer cheques were seen in the bank statement but later made good to the same students. Stalled cheques are periodically given back to the Wards for re-allocation. Cancelled cheques are normally indicated in the cash book to complete the double entry in other words they remove the already disbursed but cancelled to allow for the replacement to avoid double counting.	The finding remains as reported.

No.	Audit Findings	Auditee's Management Response	OAG's Comments
10.	Inadequate Acknowledgement of Bursary and Scholarship Payment (Paragraph 4.38-4.40)	Agreed. There is a challenge in following up of acknowledgement of beneficiaries who get bursary once. However, the Board will inform beneficiary schools to remit the receipts directly to the Fund. The Board will put up mechanism in future to ensure that the funds paid to the institutions benefit the intended learners.	The Office acknowledges the commitment by the Board to put up mechanisms in future to ensure that the funds paid to the institutions benefit the intended learners. The Office will verify the implementation of the commitment during a follow up of the audit. The finding remains as reported.
11.	Inadequate Monitoring and Bursary and Scholarship Fund (Paragraph 4.41-4.42)	Agreed	Agreed
12.	Disbursement of Bursaries and Scholarships to Learners in National Government Institutions (Paragraph 4.43-4.45)	Agreed. The County Government signed an Intergovernmental Partnership Agreement with the National Government which transferred powers to counties.	The Agreement has no date to show when it was signed. The finding therefore, remains as reported.

CONTACTS

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